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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 03/12/09

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, March 11

NIKKEI (Page 2) (Full)
March 12, 2009

07:35

Took a walk around the official residence.

10:23

Met with Education Minister Shionoya and Vice Education Minister Zeniya. Chief Cabinet Secretary Kawamura was present.

11:01

Met with Advisor Suga and Chairman Tamura of the Dietmens' League to
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Consider government-issued Currency Notes and Zero-interest tax-free bonds. Suga remained.

13:22

Met with New Komeito head Ota.

14:08

Met with former Foreign Minister Nakayama.

15:05

Met with Momoe Kobayashi, winner of the highest award in high school students' speech contest on the Northern Territories. Then met with Fukuoka Prefecture Governor Aso, chairman of the Association of Prefectural Governors.

15:43

Met with the South Korean President's special envoy.

18:17

Agricultural administration meeting at Toranomon Pastoral.

19:00

Dined with LDP caucus in the Upper House Chairman Otsuji, Upper House Diet Affairs Committee Chairman Suzuki and Deputy Chief Cabinet Secretary Konoike.

21:43

Arrived at the official residence.

4) Former North Korean agent Kim says, "I cannot believe Megumi is dead," while urging Japan to consider means to move the North

TOKYO SHIMBUN (Top play) (Abridged slightly)
March 12, 2009

Eiji Tsukiyama, Busan

A meeting took place in South Korea's Busan yesterday between family members of Taeko Taguchi, who was abducted by North Korea in 1978 at the age of 22, and former North Korean agent Kim Hyon Hui, 47, who blew up a Korean Air Lines passenger jet (in 1987). After the meeting, a press conference was held in which Kim expressed a dismissive view about North Korea's explanation that Taguchi and Megumi Yokota, who was also abducted by the North at the age of 13, had died, saying, "I cannot believe it." Nevertheless, in the meeting, no new facts were revealed that could push the issue of Japanese nationals abducted to North Korea forward.

At the same time, as a means to resolve the abduction issue, former North Korean agent Kim proposed that the Japanese government consider a method that can move Pyongyang while respecting its pride.

Regarding North Korea's explanation that Taguchi died in July 1986, Kim said based on what she had heard at a guest center in 1987: "She has not died. She was taken to somewhere."

About rumors that Taguchi married a South Korean in the North, Kim said: "I heard that an abductee was forced to marry in 1986. (Taguchi) might have married as well." She also indicated that she had not heard about who she married to.

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Kim also said that Yokota had served as a Japanese tutor for her female spy colleague and that she saw Yokota's pictures. Kim emphatically said: "I heard that Ms. Yokota had been hospitalized because of psychological problems. I cannot believe she has died."

Taguchi's eldest son, Koichiro Iizuka, 32, said: "My five-year-long wish has come true, and I am truly grateful to everyone. (Ms. Kim) said that my mother is alive and that has given our rescue activities new hope. She also said that she would become my Korean mother, so I am very happy."

Taguchi's elder brother Shigeo Iizuka, 70, while indicating that some 500 South Koreans have been abducted to the North, expressed his hope for close cooperation between Japan and South Korea, saying: "I would like to see the two countries take more concrete steps in addressing the abduction issue."

5) Prime Minister Aso: Meeting between Taguchi kin and ex-North Korean agent was good; Skeptical about progress on abduction issue

TOKYO SHIMBUN (Page 2) (Full)
March 12, 2009

When asked by reporters about negotiations with North Korea on the abduction issue after the son and brother of abductee Yaeko Taguchi yesterday met former North Korean agent Kim Hyon Hui, Prime Minister Taro Aso last night said: "Since (abductees and their family members) are getting along, there is little time left. So, we will do our best as we have until now."

Asked about the meeting, Aso said: "Since they hoped for such a meeting for a long time, it was good." He, however, revealed his perception that the meeting would not directly lead to progress on the abduction issue. He stated: "I don't think the abduction issue will move forward immediately of that the meeting will greatly contribute to the resolution of the abduction issue."

Aso met yesterday afternoon with South Korean presidential special envoy Sa Gong Il. He expressed appreciations to Sa for the South Korean government's cooperation for realizing the meeting.

6) Former death row inmate Kim meets with Taguchi's family members; Government to demand reinvestigation into fate of abductees

NIKKEI (Page 2) (Abridged slightly)
March 12, 2009

A meeting was held in South Korea's Busan yesterday between Shigeo Iizuka, 70, the elder brother of Taeko Yaguchi who was abducted by North Korea (in 1978) at the age of 22, and her son Koichiro Iizuka, 32, and Kim Hyon Hui, 47, who was sentenced to death for blowing up a Korean Air Lines passenger jet (in November 1987) and later pardoned. Taguchi is believed to have been Kim's Japanese tutor before the KAL incident. In the wake of this meeting, the government intends to ask North Korea once again for an early reinvestigation into the fate of the Japanese abductees.

A press conference was held after the meeting, in which former death row inmate Kim, referring to North Korea's explanation that Taguchi was deceased, said, "I cannot believe she is dead." Kim also noted about another abductee Megumi Yokota: "I heard that she had been hospitalized but that her condition was not so serious." The Iizukas

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returned to Japan later in the day. They are scheduled to brief on the morning of March 12 Chief Cabinet Secretary Takeo Kawamura on

the meeting.

In a press conference yesterday, Kawamura said: "We are going to strongly work upon North Korea to conduct a thorough reinvestigation into the fate of the Japanese abductees, as was agreed upon last August." A senior Foreign Ministry official, too, made the following comment regarding the contents of the meeting: "There were discrepancies (with North Korea's explanation). After learning of the results thoroughly, what must be told to the North must be told." He indicated a policy direction of seeking North Korea's explanation after examining the discrepancies.

Tensions are building between Japan and North Korea, with the latter showing signs of a missile launch. A lead to find a breakthrough in the abduction issue has yet to come into sight.

Prime Minister Yasuo Fukuda's announcement to resign last September and other events promoted the North to delay the reinvestigation. Given the Aso cabinet's dwindling support ratings, a Foreign Ministry source said: "Chances are high that the North will take a wait-and-see attitude regarding Japanese politics."

"The North will more likely harden its stance than soften it," a government official said. Becoming aware of the North's move that appears to be preparing to launch a long-range ballistic missile, the government has begun studying measures, including implementing additional sanctions. Even so, the North has not changed its tough stance. There are no prospects for the resumption of the six-party talks, either.

7) Meeting between former North Korean spy and abductee kin heightening expectations for developments in abduction issue

SANKEI (Page 3) (Full)
March 12, 2009

Officials in the government and the ruling camp have welcomed the meeting between family members of Yaeko Taguchi, who was abducted by North Korea, and former North Korean agent Kim Hyon Hui. Former Prime Minister Shinzo Abe commented: "The governments of Japan and South Korea have finally taken joint steps on the abduction issue." It is expected that the meeting will serve to attract growing interest inside and outside Japan in the abduction issue and the bombing of a Korean Air Lines passenger jet, a terrorist act by North Korea. Regarding the contents of the meeting, a senior Foreign Ministry official said: "There were no special surprises," indicating that fresh information did not come out.

Prime Minister Taro Aso told reporters last night: "I do not think that the meeting will greatly help resolve the abduction issue, but one of their (the family members') long-cherished desires has been fulfilled." He expressed his gratitude to visiting Sakong Il, a special envoy to South Korean President Lee Myung-bak, for the South Korean government's cooperation in arranging the meeting. Chief Cabinet Secretary Takeo Kawamura also said in a press briefing that the government will work on Pyongyang to start moving to resolve the abduction issue.

The previous South Korean government of then President Roh Moo-hyun, who had a policy of reconciliation toward the North, was not eager

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to address the abduction issue.

In contrast, the current Lee administration has not taken a conciliatory stance toward North Korea. Seeing its cooperation for the meeting, New Komeito Secretary General Kazuo Kitagawa expressed hopes for Japan and South Korea to strengthen cooperation in an attempt to throw light on the issue. He said: "Since South Korea has also been beset with the same problem, I hope that the Japanese and South Korean governments will cooperate in tackling the issue."

A senior Foreign Ministry official noted: "If we find something that is different from what the North side had explained, we will question the North." The Japanese government intends to seek North Korea's explanation, if new facts are brought to light, based on

what Kim said during her meeting with Taguchi's kin.

Even so, some government officials are taking a cool-headed view, after hearing Kim's testimony about Megumi Yokota, another abduction victim, and Taguchi. A government source said: "She used observational or abstract expressions, such as 'I think so,' or 'I hear so'. His remarks remain to be confirmed."

8) "No problem" about U.S. military's missile intercept: Nakasone

YOMIURI (Page 2) (Full)
March 12, 2009

Foreign Minister Nakasone stated his views before the House of Councillors Budget Committee in its meeting yesterday concerning North Korea's ongoing readiness to launch a ballistic missile. Nakasone cited international law as a legal ground for U.S. forces to intercept a projectile if it is expected to land in Japan.

"This is a sort of cooperation based on Japan's intention, so it's allowed under international law as well," Nakasone stated, indicating that there is no problem under international law even though such a missile launch cannot be concluded as an attack, against which the United States is obliged to defend Japan under the bilateral security pact.

Nakasone was replying a question asked by Shozo Kusakawa, a House of Councillors member of the New Komeito.

9) Japan not to intercept N. Korean missile if it passes over Japan: defense chief

ASAHI (Page 4) (Full)
March 12, 2009

Defense Minister Hamada, sitting in yesterday on the House of Councillors Budget Committee, indicated that the Self-Defense Forces would not be able intercept a North Korean long-range ballistic missile if it happens to pass over Japan and land outside Japan's territorial waters like the Taepodong-1 missile North Korea launched in 1998.

The SDF law allows interception only if and when there is a need to prevent such projectiles as a missile from landing on Japanese territory, causing harm to human lives and damaging properties. "Missiles and other projectiles that are not headed for Japan are not subject to the SDF law's Article 82-2," Hamada stated.

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10) LDP member Yamasaki confers on assistance for Afghan reconstruction with vice president

YOMIURIO (Page 4) (Full)
March 12, 2009

Liberal Democratic Party (LDP) Foreign Affairs Research Commission Chairman Take Yamasaki, chief of the ruling parties' Afghanistan Reconstruction Research Team, on the evening of March 11 (evening of the 11th, Japan time) met with Second Vice President Khalili in Kabul. Yamasaki during the meeting underscored, "Japan will not spare assistance for the war on terror and the democratization of Afghanistan." Khalili asked for Japan's assistance for the repair of the remains of the Bamiyan Valley, a world heritage site of that country, and the construction of a nearby road system.

11) Ozawa on alert, hits prosecutors again

YOMIURI (Page 2) (Abridged)
March 12, 2009

Democratic Party of Japan (Minshuto) President Ozawa is strongly wary of the Tokyo District Public Prosecutors Office's moves as his one-time secretary, Tomohiro Ishikawa, now a House of Councillors member of the DPJ, was asked to report for questioning over illicit donations that went from Nishimatsu Construction Co., a second-tier

general contractor, to Ozawa's fund-managing body. Ozawa had retracted his criticism of the prosecutors for a while but is now becoming critical of the prosecutors again.

Ozawa met yesterday morning at DPJ headquarters with five House of Councillors members elected once to date and about 20 House of Representatives members. According to one of them, Ozawa thinks the questioning of Ishikawa is an obstruction to election campaigning. Concerning the arrest of his state-funded secretary, one quoted Ozawa as saying: "In the past, it would be O.K. if we just revise the political funds report. It's abnormal. They are probably desperate while thinking they must not let Ichiro Ozawa to take office." Ozawa returned in the early afternoon to a hotel at Yaesu, Tokyo, where he has been staying.

12) Tokyo public prosecutors start questioning construction companies in Tohoku region to clarify entire picture of political fund donations

ASAHI (Top Play) (Excerpts)
March 12, 2009

In connection with illegal donations Nishimatsu Construction Co., a second-tier general construction contractor, made to Rikuzan-kai, Democratic Party of Japan President Ichiro Ozawa's fund management body, the Tokyo Public Prosecutors Office's special investigation squad has started questioning construction companies in the Tohoku region, including Iwate Prefecture, Ozawa's home district, as reference witnesses. Their aim is to shed light on the entire picture of the system for various general construction contractors to make donations to Ozawa's political organization.

The questioning will likely be carried out, targeting a wide range of people from sources connected with Tohoku branches of various general construction contractors based in Sendai City to local construction companies that have subcontractual relations with

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them.

Public prosecutors have learned through the questioning of sources connected with Nishimatsu Construction that President Ozawa's former secretary can be suspected to have been involved in the adjustments of order-placements in a bid-rigging scheme by general construction contractors based in Sendai City. They suspect that Takanori Okubo (47) -- arrested on suspicion of violating the Political Funds Control Law -- the first state-funded secretary to Ozawa, who also served as the treasurer of Rikuzan-kai, has been involved in order-placement adjustments as a successor to that secretary.

It has been found that Nishimatsu Construction started making illegal donations with the aim of receiving orders for the construction of dams in the Tohoku region. In view of such a circumstance, public prosecutors are presumably suspecting that the Ozawa Office' has long been informing the names of companies it hopes to see receive orders to the bid-riggers' side.

13) Unpopular premier given media exposure

ASAHI (Page 4) (Abridged)
March 12, 2009

The Aso cabinet's support rate remains low even after the arrest of Democratic Party of Japan (Minshuto) President Ozawa's state-funded secretary. However, unlike the Fukuda cabinet that also suffered from low ratings, Prime Minister Aso has been showing up in the media. The Asahi Shimbun explores the secret of the media's infatuation with the unpopular premier.

On March 3, the day after Aso (after flip-flopping) clarified his intent to receive the stimulus-related cash-handout, all commercial TV broadcasters took up this issue in their information programs. TBS, in its entertainment talk show program, Pinpon, reported on what Aso had said about the government's cash handout plan, superimposing: "Again! Prime Minister Aso flip-flops." The program introduced Aso's remarks in the past, incurring laughter with sighs

from the studio's audience.

Aso, since becoming prime minister, has been featured almost everyday in such programs. Akira Sato, chief producer of TV Asahi's "Super Morning," says Aso is "not a boring character." Aso's appeal is that he seems to be the average man on the street like the otaku (computer geeks) and akiba (people who hang about electronics shops in Tokyo's Akihabara area). He does not project the image of being a well-bred celebrity.

Another commercial TV station's entertainment talk-show producer added, "When we have nothing with which to make the news, we are thankful for Mr. Aso." In January, Aso had a battle of words with Makiko Tanaka, a member of the House of Representatives, in a plenary sitting of the lower chamber. The viewer rating began rising as the broadcaster's began airing the Diet debate, exceeding 10 PERCENT and topping all other TV programs during that hour.

Shukan Bunshun, a popular weekly magazine, top-headlined "Taro Aso" or "Aso cabinet" in 14 of its 25 issues printed since September last year, and gave second top play in two issues. When the Fukuda cabinet was in office, Bunshun gave top play to the prime minister in only eight of 47 issues. The gap with Aso's popularity is clear. The weekly's editor in chief, Makoto Shimada, said: "There is

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nothing but politics that can show a future image of the country at a turning point. Our readers also want to know if Prime Minister Aso can do so."

14) Overloading of Prime Minister Aso's diplomatic schedule

TOKYO SHIMBUN (Page 2) (Full)
March 12, 2009

Prime Minister Taro Aso has launched coordination to set his diplomatic schedule with an eye to making a trip to East European countries during the Golden Week holidays in early May. This is an attempt to silence calls in his Liberal Democratic Party (LDP) for removing him from office by taking advantage of diplomacy. Aso is setting up a full diplomatic schedule from spring to summer. Since there remain enormous domestic issues to attend to, such as a new economic stimulus package, criticism may be raised from within the LDP that he is planning too many overseas trips.

Aso plans to visit the Czech Republic, which now has the presidency of the European Union (EU), and hold talks with President Mirek Topolanek. He also intends to visit other East European countries.

He is considering visiting China in late March to meet with President Hu Jintao and Prime Minister Wen Jiabao. He has already decided to attend the G-20 financial summit on April 2 in London; the summit meeting of the Association of Southeast Asian Nations plus Japan, China and South Korea in Thailand on April 10-12, and a planned East Asia summit.

Moreover, Russia's Prime Minister Putin will visit Japan in mid-May. Aso is expected to attend the Japan-Pacific Islands Forum summit, which will take place on May 22-23 in Shimukappu Village, Hokkaido.

Aso's aide stressed:

"It is necessary to show the public visible achievements, but it is difficult to produce results through domestic politics. The prime minister must accumulate results through his diplomacy until the Group of Eight summit (Maddalena Summit) in July."

If Aso fails to deal with the state of the economy, to which he gives top policy priority, he will unavoidably come under criticism, even if he scores points on the diplomatic front. Aso may find himself adrift at political sea, if he succeeds in his policy of attaching too much importance to diplomacy.

15) Ruling party members eager to map out additional economic measures, eyeing Lower House election

The Liberal Democratic Party (LDP) and the New Komeito began to move into full gear yesterday to work out additional economic stimulus measures that will be reflected in the fiscal 2009 supplementary budget bill. With only less than six months left until the House of Representatives members' terms of office expire, the contents of the new package will inevitably affect their strategies for the next Lower House election. Some people have criticized that the ruling camp, preoccupied with a scandal of illegal donations by Nishimatsu

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Construction Co., of which the investigation has already extended to LDP members, has set aside the economic issue. Their active moves seem to be also reflecting their desire to dispel such criticism.

In its first meeting in the Diet Building yesterday morning, the New Komeito's new panel, New Economic Measures Taskforce, decided to draft its additional economic package by the end of this month. The party intends to mirror the new measures in its policy manifesto for the next Lower House election.

The LDP yesterday set up a panel, Strategic Conference on Revitalization of the Japanese Economy. Prime Minister Taro Aso and Ota met at the Prime Minister's Office yesterday afternoon and confirmed that the two parties will complete coordination to unify their respective additional economic packages into one by the end of the month.

The Association to Revitalize Japan, composed of LDP lawmakers close to Aso, also decided yesterday to finalize its own set of additional economic measures later this month.

Election Strategy Committee Vice Chairman Yoshihide Suga and other LDP members proposed to the prime minister issuing government interest-free bonds and paper money as measures to buoy up the economy. As it stands, many members in the ruling camp have begun to move to hammer out additional economic stimulus measures, with an eye on the next Lower House election.

16) Premier eager to secure Diet approval for key legislation, such as consumer agency, anti-piracy and pension bills

Now that it is certain that the fiscal 2009 budget will secure Diet passage before the end of the current fiscal year, Prime Minister Aso is eager to have the Diet enact key legislation, including bills related to the budget and the consumer-agency establishment bill. He presumably intends to determine the timing to dissolve the Lower House, while trying to prolong the life of his administration with deliberations on those key bills. However, in reality, he will have to walk a tightrope in handling Diet affairs.

Secretaries general and Diet Affairs Committee chairmen of the Liberal Democratic Party (LDP) and the New Komeito on March 11 met at a Tokyo hotel. Participants agreed on a plan to enact before the end of the month a tax-system amendment bill related to the fiscal 2009 budget bill, as well as to speed up deliberations on other key bills. LDP Diet Affairs Committee Chairman Tadamori Oshima told reporters after the meeting, "We must handle one key bill after another."

The prime minister and the ruling camp leadership are taking a stance of tackling key bills without pause presumably because they intend not to give an anti-Aso group in the party a chance to attack them. The prime minister's side is worried that once the fiscal 2009 budget is enacted in late March and the compilation of an economic stimulus package begins, those who want to oust Aso could throw the political situation into turmoil, bring on negative public reaction.

However, there is no guarantee things will go as the prime minister

desires. The first barrier will be legislation related to the tax code amendment bill, which include tax code preferential measures, which will expire at the end of March. The government and the ruling parties are giving top priority to the handling of those bills. Some ruling party members are optimistic, because some Democratic Party of Japan (DPJ) members are of the opinion that they will agree with a vote on the bills in the Upper House before the end of March. However, even if this barrier is cleared, the Diet timetable for April and beyond is tight. A bill amending the road consolidation project special fiscal measures law and a bill amending the pension law also need to be deliberated. The DPJ is determined to go all out in confronting the ruling camp on these issues. So the possibility of enacting those bills remains elusive.

17) Okada is a hot topic now in the race to succeed DPJ head Ozawa

YOMIURI (Page 4) (Excerpt)

March 12, 2009

With Democratic Party of Japan (DPJ) President Ozawa now saddled with the issue of alleged illegal acceptance of donations from Nishimatsu Construction, the moves of Vice President Katsuya Okada, who used to be president, are now in the political spotlight.

Traveling in Southeast Asia, Okada in Singapore on March 11 stressed repeatedly to the press corps the need for solidarity in the DPJ. The delegation includes Vice President Seiji Maehara, who is regarded as a critic of Ozawa. The will next visit Indonesia on the 12th, and then return to Japan on the 13th. Their trip can be taken as an attempt to place distance between themselves and the furor over Ozawa. The stance taken by Okada aims to avoid internal party conflict. He has repeatedly states that he takes responsibility for the party's big defeat in the 2005 House of Representatives election, and that he will remain on his best behavior until the next Lower House election.

In spite of that, there are strong calls for placing the party's hopes on Okada, with one DPJ lawmaker saying, "As the next Lower House election presses down on us, if we make the decision to change our president, it would be desirable to have a candidate who is not splashy, but one that is trustworthy and has a sense of stability."

ZUMWALT